GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:1215
ANSWERED ON:25.07.2016
Mining Lease Fee/Royalty
Kothapalli Smt. Geetha

Will the Minister of MINES be pleased to state:

(a) whether the Government proposes to keep the transfer fee or additional royalties to be paid by an acquirer for remaining period of a mining lease at a reasonable level to spur mergers and acquisitions in the stressed minerals and commodities sectors, if so, the details thereof;

(b) whether the mining industry is reportedly in deep trouble, if so, the details thereof and the reasons therefor along with the reaction of the Government thereto; and

(c) the remedial measures taken/proposed to be taken by the Government in this regard?

Answer

(a): The Minerals (Transfer of Mining Lease Granted Otherwise than through Auction for Captive Purpose) Rules, 2016 have been published in the Official Gazette vide notification No. GSR 560(E) dated 30.05.2016. The transfer charges payable by the transferee shall be an amount equal to eighty per cent. of the royalty paid in terms of Second Schedule to the Act payable for the remaining period of the transferred mining lease which was granted otherwise than through auction for captive purpose.

(b) to (c): Output of the mining sector had fallen sharply in the year 2014-15 due to various reasons, including the closing down of several mines due to court orders, non-renewal of expired mining leases etc. The Government took remedial measures through the Mines and Minerals (Development and Regulation) Amendment Act, 2015, including the insertion of transition provisions for extension of existing leases to obviate disruptions in supply of ore and to ensure regular supply of raw material to the industry;

As a result, the output of the mining sector, in quantity terms has registered a significant increase in the year 2015-16. The following table gives the increase in output of the major minerals produced in the country in year 2015-16 compared to the production achieved in 2014-15.

Quantity (Unit in tonnes)

Sr. No.	Minerals	2014-15	2015-16	Percentage(%) increase
1	Iron ore	128910000	155810000	21
2	Bauxite	22226062	28126288	27
3	Chromite	2163942	2881148	33
4	Copper conc.	107541	140180	30
5.	Lead Conc.	197668	261858	32